Manitoba Centennial Centre Corporation

Annual Report 2007-08

For the period ending March 31, 2008

Cover Photo Credits:

Mamma Mia!, courtesy of Showtime Productions Inc.
Riverdance, courtesy of Abhann Productions, photo by Clark James Mishler
Carrie Broda & Dan Anderson, *The Sleeping Beauty*, courtesy of the Royal Winnipeg Ballet, photo by David Cooper
Winnipeg Symphony Orchestra, courtesy of the Winnipeg Symphony Orchestra, photo by Chronic Creative

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Vision

The Manitoba Centennial Centre welcomes all Manitobans and visitors to Winnipeg to a world-class facility for arts, entertainment and cultural events. In addition to providing facilities for several permanent arts and cultural organizations, the Centennial Centre attracts international and high-profile performances that will appeal to Manitobans. Our vision is multi-layered and inclusive: the Board and management of the Centre also encourage use of its practice and performance facilities by community groups.

Board of Directors

Dr. Keith Hildahl, Chair

Ms. Pat Macgillivray, Vice-Chair

Mr. Edwin Cavanaugh

Ms. Rita Chahal

Mr. Leonard Dalman

Mr. Paul Huntington

Dr. Judith Kearns

Mr. Larry Moreau

Mr. Kevin Nolan

Mr. Roy Read

Mr. Ken Shiffman

Ms. Devan Towers

Administration

Bob Sochasky, CMA, FCMA
Chief Executive Officer

Laura Proulx, CMA
Director, Finance & Administration

Edward A. Solinske
Director, Facilities Services

Catriona Macfarlane-Davies
Director, Marketing & Communications

Norbert Schuster
Director, Physical Operations

Dennis Perko
Director, Theatre & Sound Stage Operations

David G. Peterson
Manager, Facilities Services

Martin G. Kull
Manager, House Services

Message from the Chair and Chief Executive Officer

From the global smash hit musical *Mamma Mia!* to beloved icon Paul Anka, 2007-08 was an outstanding year for the Manitoba Centennial Centre Corporation (MCCC). The Centennial Concert Hall and the Manitoba Production Centre, both directly administered by the MCCC, strengthened services by upgrading facilities; *supporting arts and culture* in Manitoba; and improving *social responsibility*, *customer satisfaction*, *workplace quality* and *business effectiveness*. Most importantly, we exceeded operating budget targets for the seventh consecutive year.

As part of our commitment to supporting arts and culture in Manitoba, we provided rent reductions for $285,000 to our resident companies: Manitoba Opera, Royal Winnipeg Ballet and Winnipeg Symphony Orchestra; financially supported youth oriented programming, including the Winnipeg Youth Orchestra and Girl Guides, through the Maitland Steinkopf Memorial Youth Fund; and continued to support art in the province by featuring a Manitoban artist each month in our Piano Nobile Gallery.

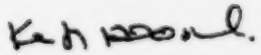
As the city's cultural hub, we once again reaffirmed our status as a community partner and continued to offer a wide variety of stellar performances and community events, such as dance recitals, high school band concerts and graduations. We also supported numerous community initiatives including: donating tickets to not-for-profit organizations through our "Community Spirit" program, whose past recipients have included: 17-Wing, Children's Wish Foundation and Osborne House; supported neighborhood policing through the Exchange District Biz Foot Patrol; and participated in Earth Hour, a worldwide event in support of fighting global warming.

Customer satisfaction continues to remain our number one priority. Facility improvements this past year, included: a barcode ticket scanning system; a new lighting control board; hand rails to increase safety inside the theatre; a wireless internet router backstage; and a video display marquee.

The 2007-08 Season also marked the beginning of a new era for the MCCC as we hired a Director of Marketing & Communications to implement a promotional strategy for the organization. We also strengthened the safety and security of our employees through the following measures: developed new workplace safety standards; adopted policy on the Public Interest Disclosure (Whistleblower Protection) Act; upgraded our information technology infrastructure; improved electrical system to include metered shore power capability at MPC; completed lifespan assessments on aging hot water systems; created a new service inspection process for electrical switch gear; and set up instant reporting capability to examine electricity consumption.

Thank you to the staff, management and Board of Directors of the Manitoba Centennial Centre Corporation for their vision, dedication and tireless efforts in supporting arts and culture in the province. We also thank our industry colleagues for their trust in the MCCC and, especially, to our audiences, to whom we are grateful for your ongoing support.

Yours sincerely,



Keith Hildahl, M.D.
Chair, Board of Directors

Bob Sochasky, CMA, FCMA
Chief Executive Officer

Organization/Operations

The Manitoba Centennial Centre Corporation's (MCCC) mandate under its enabling legislation "The Manitoba Centennial Centre Corporation Act" includes the administration of the Centennial Concert Hall and its related services, as well as the maintenance and development of the buildings and properties of the Centennial Centre. Properties of the MCCC include: the Manitoba Museum, Planetarium, Manitoba Theatre Centre, Warehouse Theatre, Artspace building, 11 Lily Street and four parking facilities. The MCCC also manages the operations of the Centennial Concert Hall and Manitoba Production Centre and offers a variety of programs and presentations in the visual and performing arts.

The facilities' operating program continues to strive for a high standard of building services and maintenance. Preventative plant maintenance programs are ongoing and new programs for better services and cost effectiveness, particularly in areas involving energy costs, are emphasized wherever possible. In compliance with a Government of Manitoba directive, the MCCC has adopted a Sustainable Development Policy for its operations. Liaison with various departments and agencies of the provincial government continues to assist in the operation of the Corporation.

Centennial Concert Hall

The Centennial Concert Hall hosted 167 performances during the 2007-08 Season.

Performance highlights included:

- Dave Brubeck (June)
- *Mamma Mia!* (July)
- *Zappa Plays Zappa* (July)
- Godsmack (August)
- Keb' Mo' & Robert Cray Band (August)
- Crowded House (September)
- Russell Peters (September)
- Paul Anka (September)
- Colm Wilkinson (October)
- *Just for Laughs* (November)
- Moscow Ballet (November)
- Chris Botti (February)
- *Riverdance* (February)
- Stuart McLean (March)

Resident Tenants

The Corporation's three resident tenants, Manitoba Opera, Royal Winnipeg Ballet and the Winnipeg Symphony Orchestra, presented a full season of concerts and performances.

Manitoba Opera captivated audiences with powerful performances of *Otello*, *Transit of Venus*, *35th Season Celebration Concert* and their special event, *Salute to Past Presidents Dinner*.

The Royal Winnipeg Ballet delighted audiences with a season of magical performances including *Angels Plus*; *Carmen*, *The Passion*; *Nutcracker* and *The Sleeping Beauty*.

The Winnipeg Symphony Orchestra continued its fine tradition of inspiring and entertaining patrons with their varied series, including: Masterworks, Musically Speaking, WSO Pops, Choral Series and Sundays with the Family. They also offered six concerts during their "New Music Festival" in February.

Piano Nobile Gallery

The Piano Nobile Gallery continued to feature diverse works by celebrated Manitoban artists in 2007-08. Beautiful paintings, inspiring photography and rich abstracts accented the grand Piano Nobile with their rich colour and local flavour.

Manitoba Production Centre

The Manitoba Production Centre was used extensively during the 2007-08 fiscal year.

Our clients included:

- Buffalo Gal Pictures
- Edmonton Opera
- Frantic Films
- Inferno Pictures
- Retail Productions Inc.

Capital Program

During the year, $776,057 was invested in capital assets for building renovations and equipment. These capital assets were financed through deferred contributions.

Manitoba Centennial Foundation of the Future Fund

The Foundation of the Future Fund was established in 1969 as a way to honour arts and culture in Manitoba. Children who were born on six specific dates in Manitoba's centennial year (1970) were invited to meet in the year 2000 to propose a specific project that would be unique to the province. The resulting committee chose to provide bursaries to Manitoba schools to promote youth arts education.

The fund currently has a balance of $52,917 as of March 31, 2008.

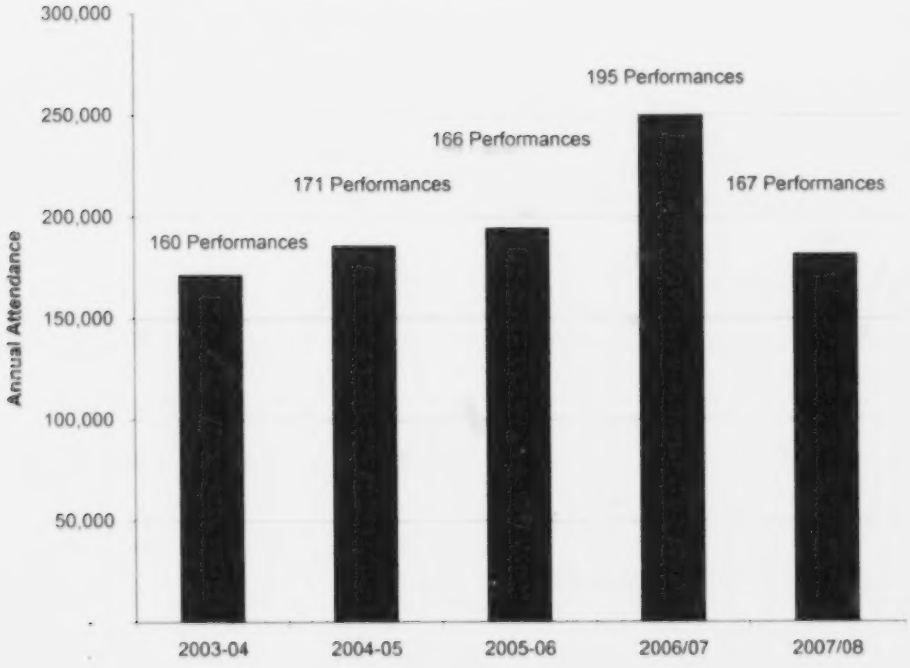
Maitland Steinkopf Youth Fund

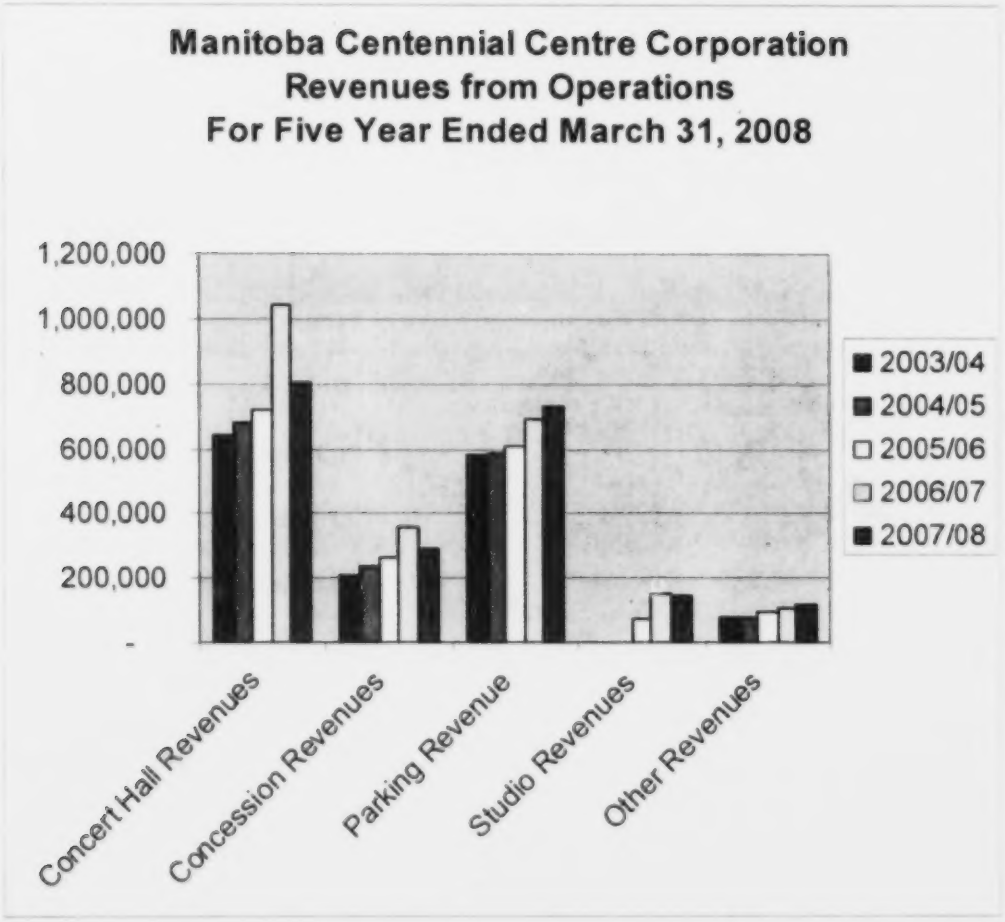
The Maitland Steinkopf Youth Fund was established in 1972 to provide scholarships for talented young Manitobans who require help in furthering their experience and/or training in specific projects in the arts. This fund enables them to attend shows at reduced rates to learn more about performance and visual arts.

The Winnipeg Youth Orchestra and Girl Guides benefited from the fund in the 2007-08 Season.

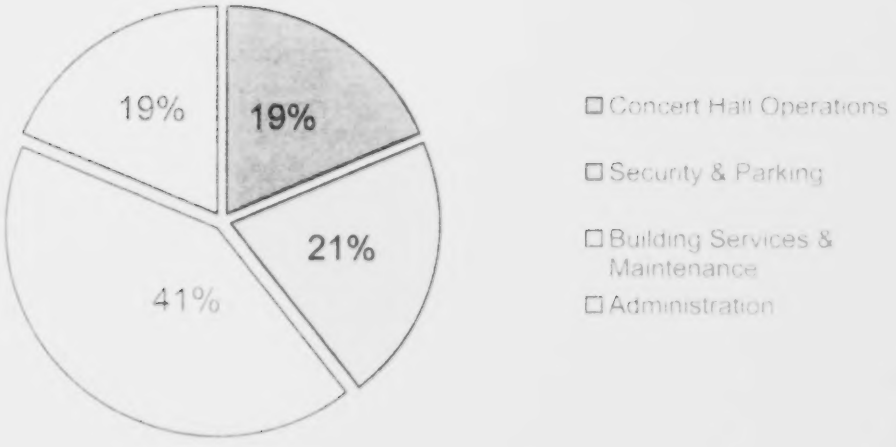
The fund has a balance of $64,072 as of March 31, 2008.

Manitoba Centennial Centre Corportion
Annual Attendance & Performance Comparison
For Five Years Ended March 31, 2008

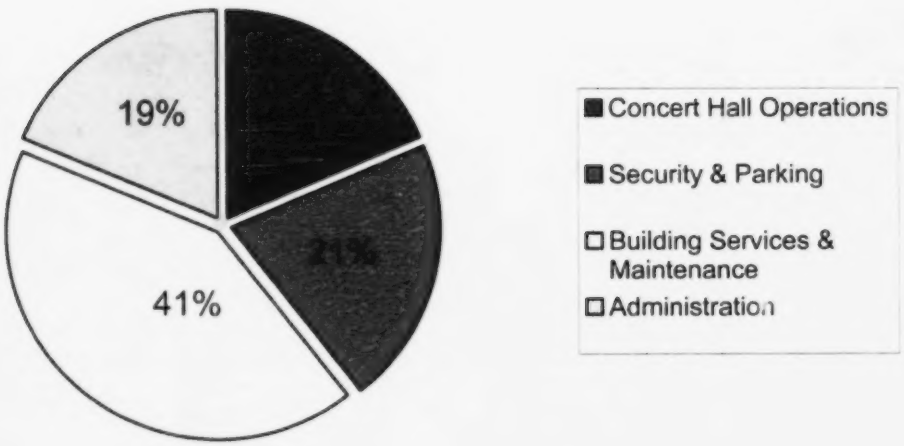



Manitoba Centennial Centre Corporation
Revenues from Operations
For Five Year Ended March 31, 2008
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
2003/04
2004/05
2005/06
2006/07
2007/08
Concert Hall Revenues
Concession Revenues
Parking Revenue
Studio Revenues
Other Revenues

Manitoba Centennial Centre Corporation
Salaries & Benefits Costs
For Year Ended March 31, 2008



Manitoba Centennial Centre Corporation
Salaries & Benefits Costs
For Year Ended March 31, 2008



Management Report

The accompanying financial statements of the Manitoba Centennial Centre Corporation (the "Corporation") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. We understand that fair presentations of these financial statements include: providing sufficient information about certain transactions, or events, having an effect on the Corporation's financial position; results of operations and cash flows for the periods presented that are of such size, nature and incidence that their disclosure is necessary to understand that effect on the Corporation's financial statements; and providing information in a manner that is clear and understandable.

Management are responsible for the design, implementation and operation of internal controls to safeguard the assets of the corporation and to prevent, deter and detect fraud and error, including internal controls over the financial reporting process.

The responsibility of the Office of the Auditor General is to express an independent, professional opinion on whether the financial statements of the Corporation are fairly presented in accordance with Canadian generally accepted accounting principals. The Auditors' Report outlines the scope of the audit examination and provides their opinion.

On behalf of Management,

Bob Sochasky, CMA, FCMA
Chief Executive Officer

Laura Proulx, CMA
Director, Finance and Administration

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Board of Directors of the Manitoba Centennial Centre Corporation

We have audited the statement of financial position of the Manitoba Centennial Centre Corporation as at March 31, 2008, and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2008, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 18, 2008

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Financial Position

March 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Current assets:		
Cash	$ 243,963	$ 349,406
Term deposits - Province of Manitoba	867,415	537,886
Accounts receivable	165,523	145,397
Capital grant receivable - Province of Manitoba	384,834	182,358
Inventory	26,606	26,241
Prepaid expenses	71,480	77,308
Vacation pay recoverable from the Province of Manitoba (note 5)	199,964	199,964
	1,959,785	1,518,560
Amounts recoverable - Province of Manitoba:		
Severance (note 5)	307,561	307,561
Pension (note 6)	5,301,000	5,069,000
Capital assets (note 7)	1,118,697	566,612
Other assets:		
The Maitland Steinkopf Youth Fund - term deposit - Province of Manitoba	64,072	64,410
The Manitoba Centennial Foundation of the Future Fund - term deposit - Province of Manitoba	52,917	50,846
	116,989	115,256
	$ 8,804,032	$ 7,576,989

	2008	2007
Liabilities, Deferred Contributions and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities	$ 797,715	$ 453,550
Accrued vacation pay (note 5)	241,948	204,520
Capital advances (note 11)	68,163	100,000
Deferred income and rental deposits	30,990	34,389
	1,138,816	792,459
Pension liability (note 6)	5,301,000	5,069,000
Accrued severance pay (note 5)	468,531	433,099
Deferred contributions related to capital assets (note 8)	947,318	370,320
Fund balances		
Invested in capital assets (note 9)	171,379	196,292
Internally Restricted Funds (note 10):		
The Maitland Steinkopf Youth Fund	64,072	64,410
The Manitoba Centennial Foundation of the Future Fund	52,917	50,846
	116,989	115,256
Unrestricted Funds:		
General Fund	659,999	600,563
Commitments (note 11)		
	$ 8,804,032	$ 7,576,989

See accompanying notes to financial statements.

Approved on behalf of the Board:

Rita Chahal
Director

Roy Read
Director

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2008, with comparative figures for 2007

	General	Capital	2008 Total	2007 Total
Revenue:				
Concert Hall	$ 803,459	$ –	$ 803,459	$ 1,045,977
Studio rental	144,365	–	144,365	153,235
Bar and concession sales	289,184	–	289,184	355,683
Parking fees	733,543	–	733,543	693,732
Miscellaneous	116,327	–	116,327	105,933
	2,086,878	–	2,086,878	2,354,560
Province of Manitoba grants:				
Operating	2,941,200	–	2,941,200	2,875,800
Amortization of deferred contributions (note 8)	–	199,059	199,059	65,036
Pension (note 6)	217,491	–	217,491	201,541
	3,158,691	199,059	3,357,750	3,142,377
City of Winnipeg grant:				
Strategic Economic Development grant	29,725	–	29,725	29,725
Recoveries of expenses	216,305	–	216,305	231,217
Total revenues, grants and recoveries	5,491,599	199,059	5,690,658	5,757,879
Expenses:				
Administration and general	582,208	–	582,208	548,699
Amortization of capital assets	–	223,972	223,972	89,949
Bar and concession operations	161,612	–	161,612	194,200
Building services and maintenance	1,212,381	–	1,212,381	1,253,320
Host service and special projects	238,694	–	238,694	245,065
Manitoba Production Centre	221,234	–	221,234	221,945
Parking service	207,894	–	207,894	189,071
Pension (note 6)	406,059	–	406,059	378,347
Security services	450,490	–	450,490	425,925
Stage operations	347,270	–	347,270	361,877
	3,827,842	223,972	4,051,814	3,908,398
Expenses incurred on behalf of The Manitoba Museum (note 12)	1,604,321	–	1,604,321	1,560,702
Total expenses (schedule)	5,432,163	223,972	5,656,135	5,469,100
Excess (deficiency) of revenue over expenses	59,436	(24,913)	34,523	288,779
Fund balance, beginning of year	600,563	196,292	796,855	508,076
Fund balance, end of year	$ 659,999	$ 171,379	$ 831,378	$ 796,855

See accompanying notes to financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Cash Flows

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	$ 34,523	$ 288,779
Adjustments for:		
Amortization of deferred contributions	(199,059)	(65,036)
Amortization of capital assets	223,972	89,949
	59,436	313,692
Change in non-cash working capital balances:		
Accounts receivable	(20,126)	20,912
Operating grant receivable	–	70,000
Inventory	(365)	(5,278)
Prepaid expenses	5,828	(11,174)
Accounts payable and accrued liabilities	195,069	27,740
Deferred income and rental deposits	(3,399)	(1,408)
Accrued vacation pay	37,428	(16,738)
Accrued severance pay	35,432	8,205
Capital advances, net	(31,837)	(221,596)
	277,466	184,355
Financing:		
Capital assets grants - Province of Manitoba	573,581	130,227
Investing:		
Purchase of capital assets	(626,961)	(569,424)
Increase (decrease) in cash and cash equivalents	224,086	(254,842)
Cash and cash equivalents, beginning of year	887,292	1,142,134
Cash and cash equivalents, end of year	$ 1,111,378	$ 887,292
Cash and cash equivalents consist of:		
Cash	$ 243,963	$ 349,406
Term deposits- Province of Manitoba	867,415	537,886
	$ 1,111,378	$ 887,292
Supplemental disclosure of non-cash financing and investing activities:		
Purchase of capital assets in accounts payable	$ 236,233	$ 87,137

See accompanying notes to financial statements.

1. Nature of the Corporation's operations:

The Manitoba Centennial Centre Corporation (the Corporation) was established in 1968 for the development and management of the permanent arts centre in the City of Winnipeg as the principal memorial in the Province to the centennial anniversaries of the Confederation of Canada and the inclusion of Manitoba as a Province. Its aim and objectives are to maintain and enhance the properties and facilities available to organizations and individuals involved in various elements of the visual and performing arts. The Corporation is exempt from income taxes under Section 149(1) of the *Income Tax Act*.

In 1969, the Corporation established the Manitoba Centennial Foundation of the Future Fund in recognition of Manitoba's centennial year. In 1972, the Corporation established the Maitland Steinkopf Youth Fund with an original allocation of $25,000. The major purpose of this fund was to promote cultural opportunities for Manitoba youths at reasonable costs. Subsequent to the year ended March 31, 2008, the Maitland Steinkopf Youth Fund and the Manitoba Centennial Foundation of the Future Fund were combined and will be used towards funding of arts and culture as the Board of Directors of the Corporation deems appropriate from time to time.

2. Properties of the Corporation:

The Corporation oversees the properties of the centre on behalf of the Province of Manitoba. At March 31, 2008 registered titles to these properties, being the Concert Hall, Manitoba Production Centre, parkade, parking lots and other buildings, are held by the Province of Manitoba. These properties are made available at no direct charge to the Corporation.

The Corporation has included the financial results of the Manitoba Production Centre within its financial statements as per the Letter of Understanding between Manitoba Culture, Heritage, Tourism and Sport and the Manitoba Centennial Centre Corporation dated December 14, 2005, in which the Corporation agreed to manage the Manitoba Production Centre for the Province.

3. Significant accounting policies:

(a) Fund accounting:

The Corporation's financial statements have been prepared on a fund basis, using Canadian generally accepted accounting principles. The Corporation follows the deferral method of accounting.

The General Fund is used to account for the operations of the Corporation.

3. Significant accounting policies (continued):

Internally restricted funds cannot be expended without the approval of the Board of Directors. The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to capital assets other than buildings that are funded by the Province of Manitoba (notes 2, 3 (e) and 9).

(b) Pension costs:

Pension payments are recognized as operating expenses as payments are made under provisions of *The Manitoba Civil Service Superannuation Act*. The provisions of this Act require the Corporation to contribute 50 percent of the pension payments being made to retired employees. In addition, a provision has been recorded in the accounts of the Corporation for the employer's share of current and past service pension obligations.

(c) Term deposits:

Term deposits are recorded at cost plus accrued interest, which approximates fair value due to the short-term nature of these deposits.

(d) Inventory:

Inventory is valued at the lower of cost, using the first-in, first-out method, and net realizable value.

(e) Capital assets:

Capital assets are recorded at cost and are being amortized using the straight-line method over their estimated useful lives as follows:

Asset	Rate
Concert hall refurbishments	10%
Computer equipment	20%
Concrete replacement	8%
Equipment and furnishings	20%
Office renovations	10%
Marquee	20%
Stage and rigging equipment	20%
Stage lighting equipment	20%
Stage sound equipment	20%
Mechanical/electrical equipment	20%

3. Significant accounting policies (continued):

The financial statements of the Corporation exclude capital assets related to buildings and associated assets, as title to these assets is held by the Province of Manitoba (note 2) and these assets are reflected in the financial statements of the Province of Manitoba. Expenditures on these excluded assets, and the related grants and receivables from the Province of Manitoba, are presented in note 11. Effective April 1, 2006, the Corporation began reflecting all other capital asset expenditures in its financial statements, and such assets have been accounted for in accordance with the requirements of Canadian Institute of Chartered Accountants (CICA) Handbook Section 4430.

(f) Cash:

Cash includes cash on hand and balances with banks. The carrying value of cash approximates fair value.

(g) Revenue recognition:

Revenue is recognized when services are rendered and when collectibility is reasonably assured.

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Deferred contributions related to capital assets represent the unamortized amount of capital grants received for the purchase of capital assets. The amortization of deferred contributions is recorded as revenue in the statement of operations on the same basis as the amortization of the related capital assets.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. Significant accounting policies (continued):

(i) Future accounting changes:

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535 - *Capital Disclosures*, Handbook Section 3862 - *Financial Instruments - Disclosures* and Handbook Section 3863 - *Financial Instruments - Presentation*. These new standards apply to the Corporation from April 1, 2008.

Section 1535 specifies the disclosure of: (i) an entity's objectives, policies and procedures and process for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Section 3862 and 3863 replace Handbook Section 3861 - *Financial Instruments - Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

The Corporation is currently assessing the impact that these new standards will have on its financial statements for the year ended March 31, 2009.

4. Change in accounting policy:

The Corporation adopted the new CICA Handbook Section 3855 - *Financial Instruments - Recognition and Measurement* on April 1, 2007. This standard provides guidance on recognizing financial instruments and non-financial derivatives on the statement of financial position. The standard also specifies how financial instrument gains and losses are presented. Initially, all financial assets and liabilities must be recorded on the statement of financial position at fair value. Subsequent measurement is determined by the classification of each financial asset and liability. Under this standard, all financial instruments are classified as one of: (a) held-for-trading; (b) loans and receivables; (c) held-to-maturity; (d) available-for-sale or (e) other liabilities. Financial assets and liabilities classified as held-for-trading are measured at fair value with gains and losses recognized in excess of revenue over expenses. Financial instruments classified as held-to-maturity, loans and receivables and other liabilities are measured at amortized cost. Available-for-sale financial instruments are measured at fair value, with unrealized gains and losses recognized directly in unrestricted funds.

4. Change in accounting policy (continued):

Upon adoption of this new standard, the Corporation designated cash and term deposits as held-for-trading; accounts and grants receivable and amounts recoverable from the Province of Manitoba as loans and receivables; and accounts payable and accrued liabilities and accrued vacation pay as other liabilities. The Corporation has neither available-for-sale nor held-to-maturity instruments.

Except for held-for trading designated financial instruments, transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities are accounted for as part of the respective asset or liability's carrying value at inception and amortized over the expected life of the financial instrument using the effective interest method. For held-for trading financial assets and liabilities, transaction costs are recorded in the statement of operations as incurred.

The adoption of the standard on April 1, 2007 had no material impact on net assets.

5. Employee benefits:

(a) Severance:

Effective April 1, 1998, the Corporation commenced recording the estimated liability for accumulated severance pay benefits for its employees. At March 31, 2008, based on an actuarial estimate the obligation for accrued severance pay is $468,531 (2007 - $433,099). The significant actuarial assumptions include an interest rate of 7 percent.

Severance pay, at the employee's date of retirement, will be determined by multiplying the eligible employee's years of service (to a maximum of 23 years) by the employee's weekly salary at the date of retirement. Eligibility will require that the employee has achieved a minimum of nine years of service and that the employee is retiring from the Corporation.

The amount of funding which will be provided by the Province of Manitoba for severance pay benefits of $307,561, represents the amount accumulated to March 31, 1998 by the employees of the Corporation and is recorded as amounts recoverable – Province of Manitoba on the statement of financial position. This receivable from the Province of Manitoba has no specified terms of repayment. The Corporation is responsible for funding liabilities for severance pay benefits accumulated after March 31, 1998 through its operating grants from the Province of Manitoba. As a result, the change in the severance liability, including the interest accretion, is reflected in the funding for severance expense.

5. Employee benefits (continued):

(b) Accrued vacation pay:

The cost of the Corporation's vacation benefits is accrued when the benefits are earned by the employees.

The Province of Manitoba funds a portion of the vacation pay benefits of the Corporation, which is limited to the amount estimated at March 31, 1995. Accordingly, the Corporation has recorded a recoverable in the amount of $199,964 from the Province of Manitoba which reflects the estimated liability for accumulated vacation pay benefits at March 31, 1995. Each year the Corporation is expected to fund the change in the liability from annual funding provided by the Province of Manitoba.

6. Pension liability:

The Corporation records the actuarial pension liability and the related pension expense, including an interest component, in its financial statements. Based on extrapolation from the most recent actuarial report dated December 31, 2004, the Corporation has recorded an amount of $5,301,000 (2007 - $5,069,000) in its financial statements, representing the estimated unfunded liability for the Corporation's employees as at March 31, 2008. Total pension expense of $502,925 (2007 - $470,480) has been recorded in the statement of operations.

The Province of Manitoba has accepted responsibility for the pension liability and the related expense. The Corporation has therefore recorded an amount recoverable from the Province of Manitoba of $5,301,000 (2007 - $5,069,000) equal to the estimated value of its actuarially determined liability in its financial statements, and has recorded associated net revenue of $217,491 (2007 - $201,541). The Province makes payments on the receivable when it is determined that the funding is required to discharge the related pension obligation.

Provision for employer's share of employees' pension plan:

	2008	2007
Balance, beginning of year	$ 5,069,000	$ 4,862,000
Increase in trust account held by the Province of Manitoba	(6,330)	(19,190)
Benefits accrued	159,231	145,986
Interest accrued (7 percent; 2007 - 7 percent)	362,142	346,443
Benefits paid	(283,043)	(266,239)
Balance, end of year	$ 5,301,000	$ 5,069,000

7. Capital assets:

	Cost	Accumulated amortization	2008 Net book value	2007 Net book value
Concert hall refurbishments	$ 171,032	$ 17,103	$ 153,929	$ –
Computer equipment	59,615	11,923	47,692	–
Concrete replacement	10,060	805	9,255	–
Equipment and furnishings	46,894	14,964	31,930	22,338
Office renovations	437,850	84,692	353,158	372,274
Marquee	382,230	76,446	305,784	–
Stage and rigging equipment	55,655	22,262	33,393	44,524
Stage lighting equipment	77,244	15,449	61,795	–
Stage sound equipment	159,345	63,738	95,607	127,476
Mechanical/electrical equipment	32,692	6,538	26,154	–
	$ 1,432,617	$ 313,920	$ 1,118,697	$ 566,612

8. Deferred contributions:

	2008	2007
Balance, beginning of year	$ 370,320	$ –
Capital grants received	776,057	435,356
Less amortized to revenue	(199,059)	(65,036)
Balance, end of year	$ 947,318	$ 370,320

9. Invested in capital assets:

	2008	2007
Capital assets (note 7)	$ 1,118,697	$ 566,612
Amounts financed by deferred contributions (note 8)	(947,318)	(370,320)
	$ 171,379	$ 196,292

10. Internally restricted funds:

The following funds are established and managed by the Corporation.

(a) The Maitland Steinkopf Youth Fund:

	2008	2007
Balance, beginning of year	$ 64,410	$ 64,644
Investment income	2,502	2,526
Grant expense	(2,840)	(2,760)
Balance, end of year	$ 64,072	$ 64,410

(b) The Manitoba Centennial Foundation of the Future Fund:

	2008	2007
Balance, beginning of year	$ 50,846	$ 51,297
Investment income	2,071	2,049
Grant expense	–	(2,500)
Balance, end of year	$ 52,917	$ 50,846

11. Capital advances and commitments:

Capital funds in the amount of $68,163 (2007 - $100,000) were drawn in advance on projects awarded but not yet undertaken by March 31, 2008 (as follows):

	2008	2007
Capital grants - Province of Manitoba		
Advances brought forward from previous years	$ (100,000)	$ (281,698)
Received during the year	–	(341,546)
	(100,000)	(623,244)
Capital expenditures not reflected on the Corporation's financial statements (note 3 (e)):		
Air plenium repairs	–	309,470
Handicap ramp	–	213,774
Capital expenditures reflected in the Corporation's financial statements (note 3 (e))	31,837	–
	31,837	523,244
Advances carried forward to future years	$ (68,163)	$ (100,000)

The Corporation had no outstanding contractual commitments to complete capital improvements at March 31, 2008 or 2007.

12. Grant of service:

The Manitoba Centennial Centre Corporation incurs expenses such as cleaning, utilities and maintenance on behalf of the Manitoba Museum. These expenses amount to $1,604,321 for the year ended March 31, 2008 (2007 - $1,560,702).

13. Financial instruments:

The Corporation's financial instruments consist of cash, term deposits, accounts receivable, amounts recoverable from the Province of Manitoba, accounts payable and accrued liabilities and accrued vacation pay. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. The carrying values of the amounts recoverable from the Province approximate their fair value because the annual interest accretion is funded, as described in notes 5(a) and 6.

14. Economic dependence:

The Corporation is economically dependent on funding received from the Province of Manitoba.

15. Comparative figures:

Certain comparative figures for the year ended March 31, 2007 have been reclassified to the financial statement presentation adopted in 2008.

MANITOBA CENTENNIAL CENTRE CORPORATION

Schedule - Operating Expenses

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Administration and general:		
Salaries and employee benefits	$ 500,383	$ 459,258
Insurance	103,002	93,411
Telephone and fax	22,464	19,746
Audit and legal	29,592	24,443
Other	96,080	137,706
Marketing	18,300	–
Payroll service	6,480	5,566
	776,301	740,130
Bar and concession operations:		
Salaries and employee benefits	61,075	78,637
Cost of goods sold	91,994	109,244
Other	8,543	6,319
	161,612	194,200
Building services and maintenance:		
Salaries and employee benefits	1,195,623	1,148,174
Utilities	878,128	887,958
Repairs, maintenance and supplies	396,046	439,846
	2,469,797	2,475,978
Host services and special projects:		
Salaries and employee benefits	218,593	223,266
Other	20,101	21,799
	238,694	245,065
Manitoba Production Centre:		
Salaries and employee benefits	9,635	11,632
Administration costs	26,278	35,190
Repairs, maintenance and supplies	19,804	39,361
Property taxes	81,853	81,655
Utilities	83,664	54,107
	221,234	221,945
Parking services:		
Salaries and employee benefits	130,790	126,233
Agency fees and expenses	62,043	53,407
Other	15,061	9,431
	207,894	189,071
Pension (note 6)	502,925	470,480
Security services:		
Salaries and employee benefits	491,343	466,902
Other	15,093	13,502
	506,436	480,404
Stage operations:		
Salaries and employee benefits	289,593	297,179
Repairs, supplies and equipment	57,677	64,699
	347,270	361,878
Total expenses of general fund	5,432,163	5,379,151
Expenses incurred on behalf of the Manitoba Museum (note 12)	1,604,321	1,560,702
Net expenses of general fund	$ 3,827,842	$ 3,818,449